

SHADOWWALK HOMEOWNER'S ASSOCIATION BYLAWS ADOPTED 2020



SEPTEMBER 24, 2020

102 BEACON RIDGE CIRCLE, SALEM, SC 29767

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BYLAWS OF SHADOWALK HOMEOWNERS ASSOCIATION, INC.

(SHA)

1.0 IDENTITY

These are the Bylaws of Shadowalk Homeowners Association, Inc. (hereinafter, the "Association" or "SHA"), which exists as a non-profit corporation duly organized under the laws of the State of South Carolina.

1.1. Location

The principle office of the corporation shall be located at 102 Beacon Ridge Circle, Salem, South Carolina 29676. Meetings of Members and Directors may be held at such places within the State of South Carolina, County of Oconee, as may be designated by the Board of Directors.

1.2. Gender References

All references to "he", "him" or "his" in these Bylaws shall be understood to include "she", "her" or "hers", "they", "them" or "theirs".

2.0 MEMBERSHIP AND VOTING

2.1 Members

Every person or entity who is a record owner of a fee or undivided fee interest in any residential lot shall be a mandatory Member of the Association. The foregoing does not include persons or entities that hold an interest merely as security for the performance of an obligation.

2.2 Absentee Voting & Proxies

Each Board and/or Association Member is entitled to vote in person or by signed written or electronic ballot. Written or electronic ballots shall be valid only for the particular matter or matters designated on the ballot. Completed ballots must be received by the Secretary by the deadline specified on the ballot in order to be counted. Voting by proxy is allowed per S.C. Code Section 33-31-724.

2.3 Membership Quorum

At each meeting of the membership, the presence (in person, by electronic means, or by proxy) of members representing ownership of at least thirty percent (30%) of the units shall constitute a quorum for the transaction of business at such meeting.

Acts approved by a simple majority of votes cast shall constitute the acts of the membership except as otherwise provided in the Articles of Incorporation, the Shadowwalk (SHA) Declaration of Covenants and Restrictions (hereinafter, "Covenants") or these Bylaws. If any meeting of Members cannot be convened for lack of a quorum, the Members who are present may adjourn the meeting from time to time until a quorum can be achieved.

3.0 GENERAL MEMBERSHIP MEETINGS

3.1 Notice of Membership Meetings

Notice of the Annual Membership Meeting and all other membership meetings, stating the time and place and the subject for which the meeting is called, shall be given by the President, the Secretary, or another person designated by them. Such notice shall be in writing to each Association Member at his physical or email address as it appears on the records of the Association. Notice shall be mailed by USPS via first class or registered mail or electronically transmitted to the Members not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting.

3.2 Annual Membership Meetings

Annual Membership Meetings shall be held at the office of the Association, or another suitable facility selected by the Board, at 7:30 p.m., Eastern Daylight Time, on the second Thursday in August of each year, or such other day and time that the Board shall deem acceptable. The purpose of the meeting shall be to elect Directors and to transact any other business authorized to be transacted by the Members. The order of business at annual membership meetings of the membership shall be:

Call to Order

Reading of Minutes

Introduction of Current Officers

Directors', President's Report

Annual Treasurer's Report

Annual Committee Chairpersons' Report

Introduction of Candidates

Voting

Report of Voting Inspectors and Election of Directors

Other Business

Adjournment

3.3 Special Membership Meetings

Special meetings of the membership shall be held whenever called by the President or by a majority of the Board and must be called by such officers upon receipt of a written request from members representing ownership of at least thirty percent (30%) of the units.

3.4 Presiding Officer

The President shall preside over meetings of the membership. In the absence of the President, the Treasurer shall preside.

3.5 Parliamentary Rules

Association meetings shall be conducted in a businesslike manner. The President shall provide an agenda for all general membership meetings and for all Board meetings. The most current version of Robert's Rules of Order shall govern the conduct of the meetings of the Association.

4.0 BOARD OF DIRECTORS

4.1 Board Membership

The affairs of the Association shall be managed by a Board comprised of elected Directors whose membership in the Association is in good standing. Representatives to the Board shall be elected at the annual membership meeting by a majority vote of the Members present and voting at such meeting, subject to the terms and provisions in Section 4.1.3 below. Association Members shall be elected to the Board as necessary to fill the number of vacant Board seats. The election shall take place at the Association's annual membership meeting.

4.1.1 Composition of the Board

The Board shall have three (3) elected Directors. The Board shall consist of only three (3) members if the retiring President's full term has not been completed and thus there is no ex officio.

4.1.3 Term

After the term of the Initial Directors, the term for Elected Directors shall be staggered over one (1), two (2) and three (3) years. The Term limit for each seat shall be decided by lottery at the time of the first year's election. After that, the individual term limits will carry forward based on the outcome of that lottery, unless otherwise agreed by the seated Directors. Directors may be reelected to successive terms. A Director's term shall begin immediately after adjournment of the Annual Membership Meeting at which he was elected and shall end upon the adjournment of the Annual Membership Meeting which marks the expiration of his term.

4.1.4 Vacancies

A Board Member may resign his seat by sending written notice to the other board members stating his desire to resign and the effective date of his resignation. If no effective date is given in the notice, then the resignation is effective upon delivery to at least one of the remaining board members.

4.2 Removal of Board Director at Special Meeting

Any Director may be removed from the Board, with or without cause, by the affirmative vote of a majority of Association Members present as a special meeting of the membership called for that purpose. At the same meeting, the Members of the Association shall then elect a new representative to fill the vacancy by a majority vote.

4.3 Organizational Board Meeting

The newly elected Board Members shall take action to elect officers, appoint committee chairs, and conduct any other necessary business within ten (10) days of their election. They may do so by either having an organizational meeting or by unanimous written consent of all the Board Members. If they decide to have an organizational meeting, then that meeting shall be scheduled during the Annual Membership Meeting at which they are elected, and no further notice of the organizational meeting shall be necessary. If they decide to take action by unanimous written consent, then each director shall sign the written consent, the consent shall describe the action taken, and shall be included in the minutes filed with the corporate records.

4.4 Regular Board Meetings

Regular meetings of the Board may be held at such time and place and in such manner as shall be determined from time to time by a majority of the Board Members. The agenda for a regular meeting shall be posted on the Community Bulletin Board and in the Members Section of the Shadowwalk (SHA) Management Company's portal and provided electronically to each Director at least three (3) days prior to the day named for such meeting.

4.5 Special Board Meetings

Special meetings of the Board may be held at such time and place and in such manner as shall be determined by the President. A special meeting may be called by the President and must be called by the Secretary at the written request of at least two thirds (2/3) of the Directors. The Secretary shall give at least three (3) days' notice of the meeting to each Director. Notice may be given in person, by email, by letter, or by telephone. The notice shall state the time, place and purpose of the meeting. This same notice shall also be posted on the Community Bulletin Board and on the Members Section of the Shadowwalk (SHA) Management Company Portal with the same three (3) days' notice.

4.6 Waiver of Notice

Any Director may waive notice of a Board meeting. Except as provided below, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records.

A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director, upon arriving at the meeting or prior to the vote on a matter not properly noticed, 1) objects to lack of notice AND 2) does not thereafter vote for or assent to the objected to action.

4.7 Board Quorum

For the purposes of the meetings of the Board of Directors, a quorum shall be at least two (2) Directors. Acts approved by a simple majority of those present at a meeting at which a quorum of least two (2) Directors is present shall constitute the acts of the Board, except where approval by a different number of Directors is required by these Bylaws or the Covenants.

4.8 Adjourned Board Meetings

If any meeting of the Board cannot be organized because a quorum is not present, the Directors who are present may adjourn the meeting from time to time until a quorum is present.

4.9 Presiding Officer

The President shall be the presiding officer at Board meetings. If the President is absent, then the Treasurer shall preside.

4.10 Parliamentary Rules

Meetings of the Board of Directors and the Annual Membership Meeting shall be conducted in a businesslike manner. The latest edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board when not in conflict with these Bylaws. Individuals in attendance other than Board members may speak only when recognized by the meeting's chairperson. An agenda will be provided by the President of the Board for all general membership meetings and for all Board meetings.

4.11 Fees and Compensation

There shall be no fees or compensation paid for service as an Association Director or officer.

5.0 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Covenants and these Bylaws shall be exercised exclusively by the Board, its agents, contractors or employees and only subject to approval by the Association Members if such approval is specifically required by the Covenants or these Bylaws. Such powers and duties of the Board shall include but not be limited to the following, subject nevertheless, to the provisions of these Bylaws:

5.1 Disclosure of Documents

a). To make available to property owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Covenants, Bylaws, and other rules concerning Shadowalk (SHA) and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

b). To provide any holder of a first mortgage, upon written request, a financial statement for the immediately preceding fiscal year.

5.2 Collection of Assessments

To make and collect assessments against Members as provided for in the Covenants.

5.3 Property Management

To maintain, repair, replace, and otherwise manage the property for which the Association is responsible for maintaining, as provided for in the Covenants.

5.4 Insurance

To purchase insurance for the protection of the Association and the Board.

5.5 Regulations

To make and amend reasonable regulations respecting the use of property in the manner provided for in the Covenants.

5.6 Property Use

To enforce by legal means the provisions of the Covenants, Bylaws and Board Policies for the use of common and private property within the Shadowwalk (SHA) town homes identified in the Covenants.

5.7 Assess Fines for Violations of Association Covenants, Rules and Regulations

Association Members may report complaints or suspected violations of the Association's Covenants, Bylaws, or rules and regulations directly to the Board. Such reports shall be made in writing, dated, signed by the person submitting the report, and delivered to any Board Member or The Board as an entity. Emailed reports are also acceptable. Anonymous reports are not acceptable but The Board will hold the source of any report in confidence.

The Owner shall be informed in writing by the Association's Board or Property Manager of any violations of the Covenants, Bylaws, or rules and regulations. Owners are responsible for their guests. Absentee Owners are responsible for their tenants and their tenant's guests. The Owner is expected to work in good faith with the Board and/or the Property Manager to correct the violation within fifteen (15) days of receiving the notice of violation.

In addition to the remedies provided for in the Covenants, the Association may ensure compliance with the Covenants, Bylaws, rules and regulations as follows:

The Board has the right to fine the owner \$100.00 per week until the violation is corrected, or until the fine reaches \$1,500.00 per violation, per year, after the fifteen-day written notice to correct the violation. If a property has three (3) or more occurrences of the same violation during the same calendar year, a \$100.00 fine will be levied immediately upon the third occurrence and any further recurrence during that year. Additionally, for third and subsequent violations, if the violation is not corrected within one week, then the \$100.00 weekly fine schedule will be implemented until abatement or the fines reach \$1,500 per year, per violation.

5.8 Personnel Employment

To employ personnel to perform the services required for proper operation of the Association.

5.9 Liens

To foreclose any lien for unpaid assessments in the same manner as mortgages.

5.10 Payment of Obligations

To authorize expenditure of funds to satisfy debts and obligations of the Association.

5.11 Directors' Duty to Actively Participate in the Governance of the Association

The business of the Association cannot be effectively and efficiently managed without the active participation of each director. To that end, all members of the Board of Directors shall execute their duties in a professional and timely manner, including but not limited to the following:

5.11.1 Respond to communications

Directors will respond to the communications of other Directors within 48 hours of receipt of that communication, unless the receiving director has previously notified the Board of a temporary leave of absence, vacation, or similar situation where he will not have convenient access to telephone or email for more than 48 hours. In cases of emergency, the director shall make reasonable attempts to notify the Board of their situation and, if possible, give a timeframe on how long the emergency may last.

5.11.2 Attend all meetings of the Board in person whenever possible.

If a director is not able to attend a meeting in person, then he shall make every effort to participate in the meeting in real time via telephone or other electronic means.

5.11.3 Repeated failure to follow these requirements

may result in the removal of the offending director, per the procedures set forth in the Covenants and Bylaws.

5.11.4 Directors shall protect confidential information

and make good faith, reasonable efforts to prevent such information from being improperly disclosed. Confidential information includes but is not limited to: personal or private information concerning the Associations' Members; confidential communications with the Association's legal counsel; and information and opinions discussed during the Board's executive sessions.

6.0 OFFICERS

6.1 Officers

The executive officers of the Association shall be a President, a Treasurer and a Secretary, each of whom shall be a Director of the Association. Any officer may be peremptorily removed from his position at any meeting by a majority vote of the total number of Board Directors.

6.2 President

The President shall be the chief executive officer of the Association and shall have all powers, duties and authority usually vested in the office of President of an association, including but not limited to the power to appoint committees as he may, at his sole discretion, determine appropriate in order to assist in the conduct of the affairs of the Association.

6.3 Secretary

The Secretary shall keep the minutes of all proceedings at Board and Association meetings. He shall attend to the giving and serving of all notices to Association Members and Directors and other notices required by law. He shall keep and authenticate the records of the Association, except those of the Treasurer, and shall perform all other duties usually vested in the office of a Secretary of an association, and as may be required by the Directors or the President.

6.4 Treasurer

Financial oversight of the Association shall be the responsibility of the Treasurer. Outside assistance, in the form of a financial management service, may be authorized by the Board from

time to time, with the understanding that this service will be conducted in accordance with generally accepted accounting practices. The Treasurer shall have custody of the financial property of the Association relating to securities and indebtedness, and shall perform all other duties usually vested in the office of an association Treasurer, including ensuring that the monthly and annual financial statements prepared by the Association's financial management firm accurately reflect the financial activities of the Association. The Treasurer shall review the financial records monthly.

7.0 COMMITTEES

The Association shall maintain two permanent committees: The Architectural Control Committee (ACC) and the Planning Committee. Committee membership shall include at least one Board Director. Committee membership shall be odd in number and shall be comprised of Association Members in good standing and/or permanent residents of Shadowalk (SHA) who reside with Association Members in good standing. The Board shall give a written statement of goals and responsibilities to each committee.

Before each Board meeting, every committee, whether permanent or ad hoc, shall submit a written report of any information or action that should be brought to the attention of the Board. Committee meetings shall be open to all Association Members in good standing. Agendas and minutes of committee meetings shall be made available to the Board Members.

7.1 Architectural Control Committee (ACC)

In accordance with the Covenants and any ACC-adopted guidelines, rules and standards, the ACC shall administer and enforce construction requirements, external design, and aesthetics of new houses or outdoor structures and the external modifications to existing houses.

7.2 Planning Committee

The Planning Committee shall identify and describe recommended capital improvements for Shadowalk (SHA).

8.0 FINANCIAL MANAGEMENT

The provisions for financial management of the Association, described herein, are supplemental to those set forth in the Covenants.

8.1 Fiscal Year

The fiscal year of the Association shall be the calendar year.

8.2 Budget

The Treasurer and the Management Company shall prepare a budget for Board approval each calendar year, which shall include the estimated funds required to defray the common expenses and to provide and maintain funds for the specified financial accounts and reserves, according to good and accepted accounting practices, as described below:

8.2.1 Shadowalk Operating Account

These accounts shall identify and allocate funds for the annual routine operating and maintenance expenditures of the Association. No funds may be disbursed from any Shadowalk (SHA) fund without the authorization, in writing, or by other electronic/digital means, of the Treasurer and at least one additional Board Member.

8.2.2 Shadowalk (SHA) Building Maintenance Reserve Accounts

The SHA Building Maintenance Account shall be divided into three separate sub-accounts, one for each building within Shadowalk (150 Deckhouse Lane, 153 Deckhouse Lane, and 164 Landfall Lane). These funds shall be collected and distributed per the terms and conditions of the Covenants. These funds will remain autonomous to the assigned building and shall be entered as three separate line items in the Shadowalk financials. The funds may be used for the purposes described in the Covenants. Expenditures require the affirmative vote of a majority of the relevant building's residents. In the case of a tie, the Board will act as tie-breaker.

Copies of the budget and proposed assessments shall be transmitted to each Association Member and posted in the Members Section of the Shadowalk (SHA) web site on or before December 1 of the year preceding the year for which the budget was prepared, or such other date as the Board may designate. If the budget is subsequently amended, a written or digital copy of the amended budget shall be furnished to each Association Member and posted in the Members Section of the Shadowalk (SHA) Management Company Portal.

8.3 Accounts

The receipts and expenditures of the Association shall be credited or charged against appropriate accounts within the budget funds and reported to the Board at least quarterly by the SHA Management Company.

8.8 Late Payment Fee

Any assessments not paid within 30 days after due date shall bear interest from the due date at the rate of 18% per annum and shall constitute a lien upon the lot.

8.9 Depository

The depository of the Association shall be a bank or banks designated by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be by check, or online transaction, and shall be made by persons authorized by the Directors or the Treasurer with the consent of at least 1 other Director.

8.10 Financial Statement

The Treasurer or the Board-authorized financial management company shall prepare a report of the financial condition of the Association annually. The report shall include a balance sheet, income and expense statement, an analysis of reserves, and appropriate financial statements and supporting information to determine the financial condition of the Association. Copies of the financial report shall be made available to each member and say Secretary shall add to it to association records. each Member of the Association not later than April 1st of the year following the year for which the report was prepared.

8.11 Financial Review & Audit

An audit of Association financial records by a certified public accountant will be conducted as deemed necessary by the Board of Directors, or at least every 3-5 years.

9.0 METHOD OF AMENDMENT

9.1 Amendment by Members

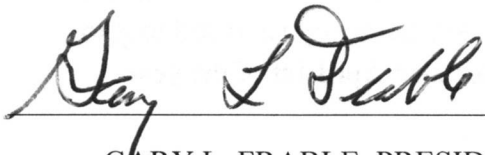
New bylaws may be adopted or these bylaws may be amended or repealed by the affirmative vote or written consent of a majority of the outstanding shares entitled to vote, except as otherwise provided by law or by the Covenants.

9.2 Amendment by Directors

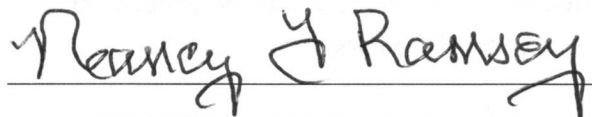
Subject to the right of members as provided in Section 9.1, bylaws other than a bylaw or amendment thereof changing the authorized number of directors (except to fix the authorized number of directors pursuant to a bylaw providing for a variable number of directors) may be adopted, amended or repealed by the board of directors.

Written notice of such proposed amendments or revisions shall be given or mailed or emailed to all Members at least thirty (30) days in advance of the voting deadline. Approved amendments shall be distributed to all Members.

Approved and adopted as the Bylaws of Shadowalk Homeowners Association, Inc. (SHA) on the 24 day of SEPTEMBER, 2020.



GARY L. FRABLE, PRESIDENT



NANCY RAMSEY, TREASURER



KAREN RIGSBY, SECRETARY